



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB0082

Introduced 1/26/2005, by Sen. Christine Radogno

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-8-4 from Ch. 24, par. 8-8-4
65 ILCS 5/8-8-8 from Ch. 24, par. 8-8-8
30 ILCS 805/8.29 new

Amends the Illinois Municipal Code. Requires a reporting municipality to comply with certain procedures and pay certain compensation to the Comptroller if a tax increment financing report is not filed within 6 months after the close of the fiscal year of the municipality. Provides that payment for the tax increment financing report shall be ordered by the corporate authorities of the municipality out of the municipality's tax increment financing funds, and prohibits a municipality from levying a tax to meet the costs of a tax increment financing report. Preempts home rule. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective immediately.

LRB094 05319 BDD 35362 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning municipalities.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-8-4 and 8-8-8 as follows:

6 (65 ILCS 5/8-8-4) (from Ch. 24, par. 8-8-4)

7 Sec. 8-8-4. Overdue reports.

8 (a) In the event (i) the required audit report or annual
9 or supplemental report for a municipality is not filed with the
10 Comptroller in accordance with Section 8-8-3 or Section 8-8-7,
11 as applicable, within 6 months after the close of the fiscal
12 year of the municipality or (ii) the Tax Increment Financing
13 Report for the municipality required under Section 8-8-3.5 is
14 not filed with the Comptroller within the time required under
15 Section 11-74.4-5 or 11-74.6-22, as applicable, the
16 Comptroller shall notify the corporate authorities of that
17 municipality in writing that the ~~audit~~ report is due, and may
18 also grant an extension of time of 60 days, for the filing of
19 the ~~audit~~ report. In the event a ~~the~~ required ~~audit~~ report is
20 not filed within the time specified in such written notice, the
21 Comptroller shall cause any necessary ~~such~~ audit to be made by
22 an accountant or accountants. ~~In the event the required annual~~
23 ~~or supplemental report for a municipality is not filed within 6~~
24 ~~months after the close of the fiscal year of the municipality,~~
25 ~~the Comptroller shall notify the corporate authorities of that~~
26 ~~municipality in writing that the annual or supplemental report~~
27 ~~is due and may grant an extension in time of 60 days for the~~
28 ~~filing of such annual or supplemental report.~~

29 (b) In the event the annual or supplemental report or the
30 Tax Increment Financing Report is not filed within the required
31 time, including any extension ~~extended~~ by the Comptroller, the
32 Comptroller shall cause such annual or supplemental report or

1 the Tax Increment Financing Report to be prepared or completed
2 and the municipality shall pay to the Comptroller reasonable
3 compensation and expenses to reimburse the Comptroller ~~him~~ for
4 the cost of preparing or completing such ~~annual or supplemental~~
5 report. Moneys paid to the Comptroller pursuant to the
6 preceding sentence shall be deposited into the Comptroller's
7 Audit Expense Revolving Fund.

8 (c) The Comptroller may decline to order an audit or the
9 completion of a ~~the supplemental~~ report if an initial
10 examination of the books and records of the municipality
11 indicates that books and records of the municipality are
12 inadequate or unavailable to support the preparation of the
13 ~~audit report or the supplemental report~~ due to the passage of
14 time or the occurrence of a natural disaster.

15 (Source: P.A. 90-104, eff. 7-11-97.)

16 (65 ILCS 5/8-8-8) (from Ch. 24, par. 8-8-8)

17 Sec. 8-8-8. Expenses of audit and investigation.

18 (a) The expenses of the audit and investigation of public
19 accounts provided for in Division 8, whether ordered by the
20 corporate authorities or the Comptroller, shall be paid by the
21 municipality for which the audit is made. Except as otherwise
22 provided in this Section, payment shall be ordered by the
23 corporate authorities out of the funds of the municipality and
24 it shall be the duty of such authorities to make provisions for
25 payment. Contracts for the performance of audits required by
26 this Division 8 may be entered into without competitive
27 bidding. If the audit is made by an accountant or accountants
28 retained by the Comptroller, the municipality shall pay to the
29 Comptroller reasonable compensation and expenses to reimburse
30 the Comptroller ~~him~~ for the cost of making such audit.

31 (b) Payment for expenses of the audit and investigation of
32 public accounts for the preparation of a Tax Increment
33 Financing Report under Section 8-8-3.5, whether the report is
34 prepared by the corporate authorities or the Comptroller, shall
35 be ordered by the corporate authorities out of the tax

1 increment financing funds of the municipality, and it shall be
2 the duty of the corporate authorities to make provisions for
3 payment.

4 (c) The corporate authorities of all municipalities
5 coming under the provisions of this Division 8 shall have the
6 power to annually levy a "Municipal Auditing Tax" upon all of
7 the taxable property of the municipalities at the rate on the
8 dollar which will produce an amount which will equal a sum
9 sufficient to meet the cost of all auditing and reports
10 thereunder, except that no tax may be levied to meet the costs
11 of Tax Increment Financing Reports. Such municipal auditing tax
12 shall be held in a special fund and used for no other purpose
13 than the payment of expenses occasioned by this Division 8.

14 (d) The tax authorized by this Section shall be in
15 addition to taxes for general corporate purposes authorized
16 under Section 8-3-1 of this Act.

17 (e) All municipalities, including home rule
18 municipalities, must comply with the provisions of this
19 amendatory Act of the 94th General Assembly. This Section is a
20 denial and limitation of home rule powers and functions under
21 subsection (g) of Section 6 of Article VII of the Illinois
22 Constitution.

23 (Source: P.A. 81-824.)

24 Section 90. The State Mandates Act is amended by adding
25 Section 8.29 as follows:

26 (30 ILCS 805/8.29 new)

27 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8
28 of this Act, no reimbursement by the State is required for the
29 implementation of any mandate created by this amendatory Act of
30 the 94th General Assembly.

31 Section 99. Effective date. This Act takes effect upon
32 becoming law.